



FACT SHEET

Commerce Issues Affirmative Preliminary Determinations in the Countervailing Duty Investigations of Imports of Carbon and Alloy Steel Threaded Rod from China and India

- On July 23, 2019, the Department of Commerce (Commerce) announced the affirmative preliminary determinations of the countervailing duty (CVD) investigations of imports of carbon and alloy steel threaded rod from China and India.
- The CVD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods by foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- In the China investigation, Commerce assigned a preliminary subsidy rate of 23.41 percent to mandatory respondent Ningbo Zhongjiang High Strength Bolts Co., Ltd. and 24.89 percent to mandatory respondent Zhejiang Junyue Standard Part Co., Ltd. The preliminary subsidy rate for all other Chinese producers and exporters is 23.83 percent.
- In the India investigation, Commerce assigned a preliminary subsidy rate of 6.07 percent to mandatory respondent Mangal Steel Enterprises Limited, and 155.03 percent to mandatory respondent Daksh Fasteners. The preliminary subsidy rate for all other Indian producers and exporters is 6.07 percent.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of carbon and alloy steel threaded rod from China, and India based on these preliminary rates.
- The petitioner is Vulcan Threaded Products Inc. (Pelham, AL).
- The merchandise covered by the scope of these investigations is carbon and alloy steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon or alloy steel, having a solid, circular cross section of any diameter, in any straight length. Steel threaded rod is normally drawn, cold-rolled, threaded, and straightened, or it may be hot-rolled. In addition, the steel threaded rod, bar, or studs subject to these investigations are non-headed and threaded along greater than 25 percent of their total actual length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (i.e., galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Steel threaded rod is normally produced to American Society for Testing and Materials (ASTM) specifications ASTM A36, ASTM A193 B7/B7m, ASTM A193 B16, ASTM A307, ASTM A320 L7/L7M, ASTM A320 L43, ASTM A354 BC and BD, ASTM A449, ASTM F1554-36, ASTM F1554-55, ASTM F1554 Grade 105, American Society of Mechanical Engineers (ASME) specification ASME B18.31.3, and American Petroleum Institute (API) specification API 20E. All steel threaded rod meeting the physical description set forth above is covered by the scope of these investigations, whether or not produced according to a particular standard.

Subject merchandise includes material matching the above description that has been finished, assembled, or packaged in a third country, including by cutting, chamfering, coating, or painting the threaded rod, by attaching the threaded rod to, or packaging it with, another product, or any other finishing, assembly, or packaging operation that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the threaded rod.

Carbon and alloy steel threaded rod are also included in the scope of these investigations whether or not imported attached to, or in conjunction with, other parts and accessories such as nuts and washers. If carbon and alloy steel threaded rod are imported attached to, or in conjunction with, such non-subject merchandise, only the threaded rod is included in the scope.

Excluded from the scope of these investigations are: (1) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total actual length; and (2) stainless steel threaded rod, defined as steel threaded rod containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

Excluded from the scope of the antidumping investigation on steel threaded rod from the People's Republic of China is any merchandise covered by the existing antidumping order on Certain Steel Threaded Rod from the People's Republic of China. See Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order, 74 FR 17154 (April 14, 2009).

Specifically excluded from the scope of these investigations is threaded rod that is imported as part of a package of hardware in conjunction with a ready-to-assemble piece of furniture.

Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, and 7318.15.5090 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheading 7318.15.2095 and 7318.19.0000 of the HTSUS. The HTSUS subheadings are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.

- In 2018, imports of carbon and alloy steel threaded rod from China and India were valued at an estimated \$104.7 million, and \$35.8 million, respectively.
- The Preliminary Decision Memoranda are on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case numbers C-570-105 for CVD China, and C-533-888 for CVD India.

NEXT STEPS

- The petitioner requested that the final determinations in these CVD investigations align with the final determinations in the concurrent antidumping duty investigations. Accordingly, Commerce is scheduled to announce its final determinations on or about December 4, 2019, unless the deadline is extended.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of carbon and alloy steel threaded rod from China, and India materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If either Commerce's or the ITC's final determinations are negative, no CVD orders will be issued. The ITC is scheduled to make its final injury determinations approximately 45 days after Commerce issues its final determinations, if affirmative.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Ningbo Zhongjiang High Strength Bolts Co., Ltd.	23.41%
	Zhejiang Junyue Standard Part Co., Ltd.	24.89%
	All Others	23.83%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
India	Mangal Steel Enterprises Limited	6.07%
	Daksh Fasteners	155.03%
	All Others	6.07%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petitions Filed	February 21, 2019
DOC Initiation Date	March 13, 2019
ITC Preliminary Determinations	April 8, 2019
DOC Preliminary Determinations	July 22, 2019
DOC Final Determinations*	December 3, 2019
ITC Final Determinations**	January 17, 2020
Issuance of Orders***	January 24, 2020

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). These deadlines may be extended under certain circumstances.

*This deadline may be extended under the governing statute.

**This will take place only in the event of final affirmative determinations from Commerce.

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IMPORT STATISTICS:

CHINA	2016	2017	2018
Quantity (metric tons)	28,887	42,724	60,590
Customs Value (USD)	47,339,611	67,461,413	104,667,356
INDIA	2016	2017	2018
Quantity (metric tons)	27,726	31,898	33,666
Customs Value (USD)	23,579,603	28,219,125	51,109,770

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) 7318.15.5051, 7318.15.5056, and 7318.15.5090).